

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Senior Citizens Mutual Insurance Co. in Liquidation**  
**Statement of Affairs**  
**As of September 30, 2014**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Pooled Cash Due from the Admin Fund	\$2,401,870.40
Pooled Cash Reserved for Unclaimed Property	55,852.00
Accrued Interest Receivable	<u>2,620.30</u>
Total Assets	<u><u>\$2,460,342.70</u></u>
<b>LIABILITIES</b>	
Unclaimed Property	55,852.00
Shareholder Claims (Class 10)	2.00
Total Liabilities	<u>\$55,854.00</u>
<b>EQUITY</b>	
Contributed Equity - State of Florida	55,140.15
Estate Equity	<u>2,349,348.55</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$2,404,488.70</u>
Total Liabilities and Equity	<u><u>\$2,460,342.70</u></u>

The accompanying notes & schedules are an integral part of these financial statements  
**UNAUDITED**

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Senior Citizens Mutual Insurance Co. in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through September 30, 2014**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$4,304.91
Reinsurance Recoveries	0.00	5,000.00
Agents' Balances Recoveries	0.00	2,940.54
Litigation Recoveries	0.00	79,750.02
Tax Recoveries	0.00	18,781.10
Other Collections / Recoveries	(701.59)	22,841.18
Sale of Personal Property Inventory	0.00	35,951.92
Receipts Before Investment Activities	(701.59)	169,569.67
Interest and Dividend Receipts	9,162.48	918,491.55
Sale of Short Term Investment	0.00	2,877,393.40
Sale of Long Term Investment	0.00	340,622.24
Receipts From Investment Activities	9,162.48	4,136,507.19
<b>Total Cash Receipts</b>	<b>8,460.89</b>	<b>4,306,076.86</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	50.27	228,939.52
Salaries and Fringe Benefits	7,396.03	781,388.32
Employee Welfare	16.15	1,498.22
Travel Expenses	4.38	16,503.79
Admin Expenses	57.93	17,056.42
Equipment and Furniture Expenses	184.32	7,016.54
Rent, Building and Equipment	793.85	40,649.61
Taxes	0.00	3.05
Disbursements	8,502.93	1,093,055.47
Distributions		
Administrative Claims (Class 1)	0.00	3,995.73
Loss Claims (Class 2)	0.00	2,312.85
Unearned Premium-Non-Assessable Policies Claims (Class 3)	0.00	91,358.18
Federal Government Claims (Class 4)	0.00	234.23
General Creditors Claims (Class 6)	0.00	993,708.67
Government Claims (Class 7)	0.00	9,490.00
Total Distributed	0.00	1,101,099.66
Disbursements & Distributions Before Investment Activities	8,502.93	2,194,155.13
Financial Expenses	751.99	37,743.89
Purchase Short Term Investment	0.00	343,032.42
Disbursements for Investment Activities	751.99	380,776.31
<b>Total Cash Disbursements &amp; Distributions</b>	<b>9,254.92</b>	<b>2,574,931.44</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(794.03)</b>	<b>1,731,145.42</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	2,458,516.43	689,374.04
Adjustments to Beginning Cash	0.00	37,202.94
<b>Adjusted Beginning Cash Balance</b>	<b>2,458,516.43</b>	<b>726,576.98</b>
<b>Ending Cash Balance</b>	<b>2,457,722.40</b>	<b>2,457,722.40</b>

The accompanying notes & schedules are an integral part of these financial statements  
**UNAUDITED**

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Senior Citizens Mutual Insurance Co. in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Three Months Ended September 30, 2014**

**Accrued Interest Receivable**

<b>Description</b>		<b>Balance 7/1/14</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 9/30/14</b>
State Treasury	SPIA, 4-20-0-010000-00000	2,962.51	8,085.36	(8,427.57)	2,620.30
<b>Totals:</b>		<u>2,962.51</u>	<u>8,085.36</u>	<u>(8,427.57)</u>	<u>2,620.30</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
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**Schedule of Unclaimed Property**  
For the Three Months Ended September 30, 2014

**Unclaimed Property**

<u>Description</u>	<u>Balance 7/1/14</u>	<u>Adjustments</u>	<u>Balance 9/30/14</u>
Unreleased/unissued/outstanding distributions amounts to be sent to various states unclaimed property sections.	55,852.00	0.00	55,852.00
Totals:	<u>55,852.00</u>	<u>0.00</u>	<u>55,852.00</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Senior Citizens Mutual  
Insurance Co. in Liquidation  
Notes to Financial Statements**

**Dated September 30, 2014**

1. **Estate Information.** Senior Citizens Mutual Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on June 1, 2005.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on a modified cash basis of accounting using a fiscal year of July 1, 2014 through June 30, 2015. The assets are stated at their estimated realizable values, while the liabilities are stated at their gross filed amounts and are periodically adjusted as evaluated, adjudicated and/or paid. Interest is accrued and reinsurance receivables are only posted when billed to reinsurers. In addition, the statements do not provide accruals for all future administrative expenses to liquidate the estate or costs to pursue or litigate claims against others.
3. **Unaudited.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with generally accepted accounting principles.
4. **Statement Format Changes.** On July 1, 2001, the Receiver converted accounting systems, which resulted in the historical accounting data being presented differently in this set of financial statements than the previously prepared statements for this estate. Because the new system uses a more detailed chart-of-accounts and summarizes data into categories different than previously used, the 'Since Date of Liquidation' column of historical data on the 'Statement of Cash Receipts and Disbursements' may not correspond directly to previous statement presentations. Users of this "Liquidation to-date" information should solicit additional information from the Receiver before making assumptions about the data.
5. **Pooled Investments.** The majority of the invested assets of the estates are combined into two main pooled accounts: the Receiver's operating account held at the Bank of America and the Special Purpose Investment Account held at the State of Florida Treasury. Each estate's share of the pooled investments is presented on the accompanying financial statements as "Pooled Cash Due from the Admin Fund".

"Pooled Cash Reserved for Unclaimed Property" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for voided checks after a distribution account is closed and reconciled for outstanding checks. These amounts will be set to the Bureau of Unclaimed Property upon court authorization.
6. **Unclaimed Property.** The Unclaimed Property funds consist of claim distribution funds for claimants who could not be located. The funds are due to the Unclaimed Property sections of various states.
7. **Claims.** Unless otherwise noted, the Statement of Affairs contains claim liabilities by priority class pursuant to 631.271, Florida Statutes. Unless otherwise stated, the claim liabilities reported are gross filed, un-adjudicated, and have not been reduced by any early access payments from the Florida Receiver. Claim liability numbers are based upon the most current available information and documentation provided to the Receiver from both internal and external sources.
  - All claims have been adjudicated and are reported net of authorized distributions.
  - A 100% claims distribution for Class I, Class II and Class III claims was authorized on December 21, 2012.
  - A 100% claims distribution for Class IV, Class VI and Class VII claims was authorized on September 11, 2013.
  - Pursuant to a Leon County Circuit Court ruling, § 631.271(1)(k), Florida Statutes (2012) applies to dates of liquidation on or after July 1, 2012. Shareholder claims in estates with dates of liquidation on or after July 1, 2012 are classified as class XI claims. Shareholder claims in estates with dates of liquidation prior to July 1, 2012 are classified as class X claims pursuant to § 631.271(1)(j), Florida Statutes (1995).
  - There are two pending Class X shareholder filed claims with unknown values at this time.

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8. **Federal Priority.** Pursuant to 31 U.S.C.A. § 3713, a federal government claim must be paid first, when a debtor to the United States is insolvent. The federal government has taken the position that it is not subject to state insurance liquidation proceeding's claims filing deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver requested a federal release from the U.S. Department of Justice (DOJ). The federal release was subject to the approval of the receivership court. The U.S. DOJ release for this estate was approved by court order on February 26, 2013.
9. **Contributed Equity – State of Florida.** The Receiver will, from time to time, expend public funds to carry out certain duties during the course of liquidating an insurance company. The Division accounts for these expenditures as a contribution of equity by the State.
10. **Excess (Deficiency) of Assets over Liabilities.** The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. This excess or (deficiency) does not take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.